(iii) The compensation shall be subject to a cap of 1%,1%,5% and 3% of customs revenue collected on non-sensitive items under bilateral trade in the base year, i.e. average of 2004 and 2005.

(iv) The compensation shall be administered by the Committee of Experts as per the Administrative Arrangement prescribed in the Annex to the MCRL Agreement.

India would also offer to Bangladesh a Tariff Rate Quota (TRQ) of 8 million pieces of garments; with the condition that 3 million pieces are exported to India provided fabrics are sourced from India, another 3 million pieces provided fabrics are either of Indian or Bangladeshi origin and 2 million pieces with any condition on sourcing.

Opening of Attari-Wagha Border for trade on permanent basis

332. SHRI RAMA MUNNI REDDY SIRIGIREDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India requested the Government of Pakistan for opening up of Attari-Wagha Border for trade between the two countries on permanent basis;

(b) whether the issue was raised at the Secretary-level discussions held recently; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) During the Commerce Secretary-level discussions within the framework of the Composite dialogue between India and Pakistan held in New Delhi in August 2005, the Indian side requested to open the land route at Attari-Wagah Land Customs Stations on a permanent basis for enhancing the bilateral trade, and the Pakistan side noted this request.

Protest against duty free import of vanaspathi

333. SHRI C. PERUMAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there has been protest from edible oil industry against duty

free imports of vanaspathi from Sri Lanka, Nepal and Bhutan as preferential treatment is given to these countries against local manufactures;

(b) if so, whether any action has been taken on the demand;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) to (d) As far as import of vanaspati from Nepal and Sri Lanka is concerned, the Government had set up an Inter-Ministerial Group (IMG) under the Chairmanship of Director General of Foreign Trade (DGFT), Department of Commerce, to look into issues raised by the domestic vanaspati producers. The IMG has given its recommendations but no decisions have been taken on them. In case of Bhutan, it has been informed that the Government of Bhutan has raised import duty on Crude Palm Oil (CPO), input used in making vanaspati to 100% and hence export of vanaspati from Bhutan to India has become economically unviable.

Implementation of New Weapons Procurement Policy

334. SHRIMATI VANGA GEETHA: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is willing to implement new weapons procurement policy;

(b) if so, the details thereof;

(c) whether it is also a fact that 54 percent of procurements in the last fiscal year from other countries shows that even after over 57 years of Independence, cutting edge technologies have not been developed in the country; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) and (b) Capital acquisitions including acquisition of weapons are carried out in accordance with Defence Procurement Procedure 2005 which came into effect from 1.7.2005. This document lays down the procedure for the